

**REMARKS**

This application has been carefully reviewed in light of the Office Action mailed May 23, 2001. All pending claims are set forth in the Appendix hereto. To advance prosecution of this application, Applicant has responded to each issue raised by the Examiner. Applicant respectfully requests reconsideration, further examination, and favorable action in this case.

The Examiner rejects Claims 1-37 under 35 U.S.C. § 103(a) as being unpatentable over European Patent Application EP0770967A2 by Schmidt et al. ("*Schmidt*") in view of John Downes & Elliot Goodman, Dictionary of Finance and Investment Terms ("*Dictionary*"). Applicant respectfully traverses these rejections for reasons discussed below.

First, Applicant respectfully notes that the Examiner admits in the Office Action that *Schmidt* fails to disclose numerous elements of the independent claims. For example, the Examiner admits that *Schmidt* fails to disclose four of the five elements of Claim 1, all of the elements of Claim 12, three of the four elements of Claim 19, and three of the four elements of Claim 28. The Examiner then asserts that these elements are suggested by *Dictionary*. Applicant respectfully traverses this assertion. *Dictionary* merely recites a definition of an option. *Dictionary* fails to teach or suggest a "buyer computer" and a "seller computer" as recited in Claims 1 and 12. *Dictionary* also fails to teach or suggest a "negotiation module," an "execution module," and an "exercise module" as recited in Claim 19. In addition, *Dictionary* fails to teach or suggest a "negotiation module," an "execution module," and a "tracking module" as recited in Claim 28. As a result, the combination of *Schmidt* and *Dictionary* fails to teach or suggest all elements of Claims 1, 12, 19, and 28.

Second, as described in response to the prior Office Action, *Schmidt* generates replenishment orders for a product. (Page 31, lines 41-44). These replenishment orders are generated under a VMR arrangement, which stands for "Vendor Managed Replenishment." (Page 31, lines 41-44; Page 28, line 24). This VMR arrangement is routinely embodied in a contract between the vendor and the customer. (Page 28, lines 58-59).

*Schmidt* fails to disclose, teach, or suggest a system that allows the formation and execution of *any* type of contract between a buyer and a seller. *Schmidt* discloses a system where a vendor generates replenishment orders for a product on behalf of a customer. Those orders are placed according to a *previously-negotiated* VMR contract between the customer and the vendor. The system of *Schmidt* does not allow the customers and vendors to enter into electronic contracts with one another, much less the particular option contracts recited in Applicant's claims. As a result, the combination of *Schmidt* and *Dictionary* would still not allow the customers and vendors to enter into electronic contracts with one another.

At a minimum, with respect to Claim 1, *Schmidt* and *Dictionary* do not disclose, teach, or suggest "communicating from the buyer computer to a seller computer an offer to enter into an option contract for the supply of a product" or "executing the option contract." With respect to Claim 12, *Schmidt* and *Dictionary* do not disclose, teach, or suggest "receiving ... terms of an option contract" or "communicating ... an acceptance of the terms of the option contract." With respect to Claim 19, *Schmidt* and *Dictionary* do not disclose, teach, or suggest "a negotiation module operable to communicate ... an offer to enter into an option contract" or "an execution module operable to execute an option contract including an option." With respect to Claim 28, *Schmidt* and *Dictionary* do not disclose, teach, or suggest "a negotiation module operable to receive ... an offer to enter into an option contract for the supply of a product" or "an execution module operable to execute the option contract and to store the terms of the option contract in a memory." Therefore, the combination of *Schmidt* and *Dictionary* fails to disclose, teach, or suggest all limitations of Claims 1, 12, 19, and 28 as required by 35 U.S.C. § 103(a). Furthermore, the dependent claims of this Application recite numerous additional features further distinguishing the present invention over the prior art.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claims 1, 12, 19, and 28, and Claims 2-11, 13-18, 20-27, and 29-37 depending therefrom.

CONCLUSION

Applicant has made an earnest attempt to place this case in condition for allowance. For the foregoing reasons, and for other reasons clearly apparent, Applicant respectfully requests reconsideration and full allowance of all pending claims.

If the Examiner believes a telephone conference would advance prosecution of this case, the Examiner is invited to call the undersigned attorney for Applicant, Christopher W. Kennerly, at the convenience of the Examiner. Mr. Kennerly may be reached at 214-953-6812.

Applicant does not believe that any fees are due. However, the Commissioner is hereby authorized to charge any fees or credit any overpayments to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,

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